FY21 Planning Assumptions - Incremental Cost Factors and Changes

1. Salaries
   a. Per the current agreement with the classified bargaining units (http://wp.wwu.edu/hr/2015/08/11/union-information/) a two-step increase is awarded annually to all classified staff that has not reached the top step (step L) in their grade. Each step is worth an approximate 2.5% increase, so a typical two-step increment is calculated at roughly a 5.0% increase. Please consult your position reports, the Banner Human Resource System, and/or the Human Resource Office for appropriate increment dates and steps.
   b. The agreement with WFSE and PSE includes a 3.0% salary increase on July 1, 2020. Please use this estimated increase rate for classified staff when calculating proposed increases to fees.
   c. It is too early in the budget building process to know the exact level of salary increases that will be approved in FY21 for Professional Staff. At this time, please build in a 3% increase as an estimate when calculating proposed increases to fees that cover Professional Staff.
   d. The Faculty contract is presently in negotiation. Please estimate a 3% across the board increase for Faculty salaries and we will follow up with additional amounts as negotiations conclude.
   e. Please use an inflationary factor of up to 4% on non-salary expense when calculating proposed increases to fees, based on current fund balances.
   f. Washington’s minimum wage rate as of January 1, 2021 will increase by $0.36/hr to $13.86/hr. It will increase again effective January 1, 2022 by $0.37/hr to $14.23/hr.
   g. Initiative Measure No. 1433 (I-1433) was passed by Washington State voters on November 8, 2016 and was written into Chapter 49.46 RCW Minimum Wage Requirements and Labor Standards. In addition to increasing the minimum wage, it requires Western to provide employees with paid sick leave. An eligible employee shall accrue at least one (1) hour of paid sick leave for every forty (40) hours worked. This law does not apply to employees who are ineligible for overtime such as Professional Staff employees, Executive Officers and Faculty. This law may increase actual costs for some units; for other units it may result in a loss of productivity for sick leave taken.
h. The Washington State Department of Labor and Industries (L&I) has filed a proposed rule that would update the state’s overtime regulations for Pro Staff and render significantly more employees eligible for overtime benefits. You may want to evaluate how this will affect your self-sustaining operations in the event the change is instituted. For more information: https://lni.wa.gov/workers-rights/wages/overtime/changes-to-overtime-rules. We will update you on this rule change proposal as the legislative session progresses.

**Note: For all salary increases, please also increase benefits by at least 18.5%**

*(Classified Staff benefits are running slightly higher at about 20%)*

2. **Employer Benefit Rates**

   a. Employer benefit rates for 2020-21 are subject to change. Current rates may be found HERE. Presently, there have been no changes to rates published. The Budget Office will keep you apprised as to FY21 rates when the information is available.

   b. The HR benefit calculator can be found HERE and will be updated when rates change.

3. **Administrative Services Assessment**

   The rate structure for FY21 is attached to this email and may be found online HERE.

Please direct any questions regarding the Self-Sustaining Budget Process, reports or instructions to Carrie Thurman at extension 3029. Thank you.